

The Director of Central Intelligence

Washington, D. C. 20505

1 December 1982

The Honorable William P. Clark Assistant to the President for National Security Affairs The White House Washington, D.C. 20500

Dear Bill:

Since your call concerning the direction of our efforts on counterintelligence, counterterrorism, and technology transfer, I have personally reassessed our posture and this note is to report on how the 1984 budget as forwarded to OMB has been adjusted to beef up our capabilities to deal with these concerns. The three efforts. as you are aware, are closely related and organizationally intertwined.

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Counterintelligence has been a long-standing effort in which there have been extreme variations in interest and priority. Over the years it has been limited by manpower shortfalls, policy restrictions and hesitations. The policy questions are currently being addressed by the Senior Intelligence Group for Intelligence (SIG/I) and its subordinate Interdepartmental Groups (IGs) for counterintelligence and countermeasures.

Our immediate priority, however, is to increase Federal Bureau of Investigation/Foreign Counterintelligence's (FBI/FCI) manpower and technical capabilities to deal with the increased hostile threat in the United States. For example, in FY 1982 the FBI/FCI program had 1,000 high priority cases which should have been worked on a one-agent-to-one-case basis. Due to manpower constraints, these cases were handled on an average of one-agent-tothree-case basis. In FY 1983 our request to increase the FBI by 259 positions was denied by the Administration. Congress is attempting to provide these In FY 1984, I have recommended an additional increase of 421 positions, and significant increases in funds to support the FBI/FCI Program. The Office of Management and Budget (OMB) is apparently prepared to support this increase, but would offset this by any increase Congress approves in FY 1983. I believe this offset should not be imposed because it would prevent us from achieving the full build-up over the two years which I consider essential to adequately cope with the sharply increased activity of the Soviet Bloc and Cuban espionage services within the United States. budgetary profile of the counterintelligence effort is shown in the enclosure.

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